

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20544**

In the Matter of the Federal-State Joint Board
on Universal Service

) CC Docket No. 96-45

NPCR, INC. d/b/a Nextel Partners

Petition for Designation as an Eligible
Telecommunications Carrier in the state of
Alabama

Petition for Designation as an Eligible
Telecommunications Carrier in the state of
Florida

Petition for Designation as an Eligible
Telecommunications Carrier in the state of
Georgia

Petition for Designation as an Eligible
Telecommunications Carrier in the state of
New York

Petition for Designation as an Eligible
Telecommunications Carrier in the state of
Pennsylvania

Petition for Designation as an Eligible
Telecommunications Carrier in the state of
Tennessee

Petition for Designation as an Eligible
Telecommunications Carrier in the state of
Virginia

SUPPORTING COMMENTS OF THE ALASKA TELEPHONE ASSOCIATION

I. INTRODUCTION

The Alaska Telephone Association (“ATA”) submits these comments in support of the Application for Review filed by the Rural Local Exchange Carriers (“RLECs”), seeking to reverse the decision of the Acting Chief of the Wireline Competition Bureau to grant the Petitions of NPCR, Inc. d/b/a Nextel Partners (“Nextel”) as an eligible telecommunications carrier in numerous states.¹ The ATA is a trade association comprised of rural local exchange carriers serving the most remote and rural parts of Alaska.²

II. COMMENTS

Rural areas in Alaska are infinitely different than rural areas elsewhere. Many are not accessible by road, but only by plane or by boat — and then only some of the time. Small numbers of residents live in villages surrounded by vast expanses of harsh, unforgiving terrain. Winters are often brutally cold and unforgiving. The percent of

¹ Federal-State Joint Board on Universal Service, NPCR, Inc. d/b/a Nextel Partners Petitions for Designation as an Eligible Telecommunications Carrier in the States of Alabama, Florida, Georgia, New York, Pennsylvania, Tennessee, and Virginia, CC Docket No. 96-45, Order DA 04-2667 (rel. Aug. 25, 2004).

² The ATA’s active members are: Alaska Power & Telephone Company; Arctic Slope Telephone Association Cooperative; Bristol Bay Telephone Cooperative, Inc.; Bush-Tell, Inc.; Copper Valley Telephone Cooperative, Inc.; Cordova Telephone Cooperative; Interior Telephone Company, Inc.; Ketchikan Public Utilities – Telephone Division; Mukluk Telephone Company, Inc.; Matanuska Telephone Association, Inc.; Nushagak Cooperative; OTZ Telephone Cooperative, Inc.; Summit Telephone Company; United-KUC, Inc.; United Utilities, Inc. and Yukon Telephone Company, Inc.

residents in rural Alaska living below the poverty line is high because there are few jobs. Community residents rely on hunting and fishing for food.

Because of the physical ruggedness and isolation of rural Alaska communities, telecommunications services are the primary link for access to basic governmental services, health care, education and commerce. High quality and dependable basic and advanced telecommunications services provide rural Alaska's lifeline for essential services. Therefore, universal service support must be sufficient and predictable.

For these reasons, the ATA supports the RLECs' Application for Review. The sustainability of the Universal Service Fund ("USF") is very much at issue and on June 8, 2004, the Commission issued a Notice of Proposed Rulemaking seeking comment on the Federal-State Joint Board's Recommended Decision concerning the process for designation of eligible telecommunications carriers ("ETCs") and the Commission's rules regarding high cost universal service support.³ The FCC has received both opening and reply comments in that docket, and has now compiled a large and thoughtful record. Rather than continuing to adjudicate ETC requests through individual applications while simultaneously rewriting the rules in order to preserve the Universal Service Fund's sustainability, the wiser course is for the FCC to suspend consideration of competitive ETC requests until the FCC enunciates its new regulatory paradigm for granting competitive ETC applications.

³ Notice of Proposed Rulemaking, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, FCC 04-127 (rel. June 8, 2004).

The Wireless Competition Bureau's grant of ETC designation to Nextel underscores these concerns. In addition to the Wireline Competition Bureau's grant of ETC designation in the seven requested service areas, Nextel has ETC applications pending in many other states and approval of Nextel's applications in all of the service areas covered by Nextel's federal and state petitions could result in Nextel recovering \$5-6 million or more annually in USF payments. *RLECs' Application for Review at 8.* And, the grant of ETC designation to a wireless carrier the size of Nextel will likely prompt other large wireless carriers to do the same, thereby significantly increasing the size of the Universal Service Fund.

These policy issues may be philosophical to some and interesting to others, but to rural Alaska, the outcome of this debate may dictate whether or not universal service support for rural Alaska is sufficient and predictable. Without sufficient and predictable universal service support, no company could justify providing telecommunications services in most of rural Alaska because the populations are too small, too poor, and the costs of service are too high.

III. CONCLUSION

For these reasons, the ATA supports the Application for Review by the Rural Local Exchange Carriers.

Dated this 22nd day of October, 2004.

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